

MCNUTT LAW FIRM, P.C.
Daniel R. McNutt, Esq., Bar No. 7815
Matthew C. Wolf, Esq., Bar No. 10801
625 South Eighth Street
Las Vegas, Nevada 89101
Tel.: (702) 384-1170 / Fax.: (702) 384-5529
drm@mcnuttlawfirm.com
mcw@mcnuttlawfirm.com

LOEB & LOEB LLP
DANIEL A. PLATT
DONALD A. MILLER (admitted *pro hac vice*)
TERRY GARNETT (admitted *pro hac vice*)
10100 Santa Monica Blvd., Suite 2200
Los Angeles, CA 90067
Telephone: (310) 282-2000 / Fax: (310) 282-2200
dplatt@loeb.com
dmiller@loeb.com
tgarnett@loeb.com

Attorneys for Cachet Financial Services and
Financial Business Group Holdings

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SARAH SIMMONS, an individual; AARON
MCALLISTER, an individual; ROI-IT, LLC, a
Nevada limited liability company on behalf of
themselves and all others similarly situated,

Plaintiffs,

vs.

CACHET FINANCIAL SERVICES, a
California corporation; FINANCIAL
BUSINESS GROUP HOLDINGS, a California
corporation; MYPAYROLLHR LLC, a
Delaware limited liability company; CLOUD
PAYROLL, LLC, a Delaware limited liability
company; VALUEWISE CORP., a Delaware
corporation; MICHAEL MANN, an individual;
NATIONAL PAYMENT CORPORATION, a
Florida corporation,

Defendants.

Case No. 2:19-cv-01624-GMN-VCF

**STIPULATION AND ORDER TO STAY
THE CASE AS TO CACHET FINANCIAL
SERVICES AND FINANCIAL BUSINESS
GROUP HOLDINGS AND FOR
RELATED RELIEF**

This Stipulation to Stay the Case as to Cachet Financial Services and Financial Business Group
Holdings and for Related Relief (“Stipulation”) is entered into by and between Sarah Simmons, an

1 individual, Aaron McAllister, an individual, and ROI-IT, LLC, a Nevada limited liability company on
2 behalf of themselves and all others similarly situated (collectively, “Plaintiffs”), on the one hand, and
3 Cachet Financial Services (“Cachet”) and Financial Business Group Holdings (“FBGH”), on the other
4 hand (Plaintiffs, Cachet, and FBGH are collectively, the “Parties”), by and through their respective
5 counsel, with regard to the following:

6 **I. RECITALS**

7 On September 16, 2019, Plaintiffs commenced the instant action, Case No. 2:19-cv-01624-
8 GMN-VCF (the “Action”) by filing a complaint against Cachet, FBGH, and others for, *inter alia*,
9 various alleged RICO violations, misrepresentation, conversion and unjust enrichment.

10 Pursuant to the Stipulated Discovery Plan and Scheduling Order (“Scheduling Order”) entered
11 by this court on January 13, 2020, the following deadlines were set: initial disclosures are due on May
12 22, 2020, the discovery cutoff date is November 4, 2020, pleadings must be amended by no later than
13 August 6, 2020, experts shall be disclosed by August 6, 2020, rebuttal experts shall be disclosed by
14 September 21, 2020, an interim status report is due on September 4, 2020, dispositive motions must
15 be filed by January 4, 2021, and a joint pretrial order must be filed no later than February 2, 2021.

16 On January 21, 2020, Cachet filed a voluntary Chapter 11 bankruptcy petition in the United
17 States Bankruptcy Court for the Central District of California, Los Angeles Division, commencing
18 Bankruptcy Case No. 2:20-bk-10654-VZ (the “Bankruptcy Case”).

19 The filing of the Bankruptcy Case invoked an immediate and automatic stay of the Action as
20 against Cachet pursuant to 11 U.S.C. §362(a) (the “Automatic Stay”).

21 FBGH is a holding company and is the 100% owner of Cachet.

22 Cachet asserts it intends to seek to obtain a court order to extend the Automatic Stay to FBGH,
23 which Cachet believes has strong factual and legal support. Instead of Cachet filing a motion seeking
24 such relief, the Parties have agreed to stay the Action for a period of 180 days to allow the claims
25 made in the Action to be addressed in the Bankruptcy Case, on the terms set forth below.

26 **II. STIPULATION**

27 Accordingly, the Parties agree and stipulate to the following:
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1 1. The Action shall be stayed as to Cachet and FBGH for a period of approximately 180
2 days, through July 31, 2020. The stay shall include the briefing of Cachet and FBGH's Motion to
3 Dismiss, or, in the Alternative, to Change Venue filed on January 8, 2020. For the avoidance of
4 doubt, the stay of the Action shall not apply to Defendants MyPayrollHR, LLC, Cloud Payroll, LLC,
5 ValueWise Corp., Michael Mann, or National Payment Corporation (collectively, the "Mann
6 Defendants").

7 2. Plaintiffs reserve their rights to terminate the agreed upon stay discussed in Paragraph
8 1 above on twenty-one (21) days' notice to Cachet and FBGH and their counsel.

9 3. Plaintiffs are free to seek entry of default, or take any other actions, as to the Mann
10 Defendants.

11 4. The Scheduling Order shall be modified as follows:

12 i. Initial disclosures shall be due by November 20, 2020.

13 ii. The discovery cutoff date shall be May 4, 2021.

14 iii. Pleadings shall be amended and/or parties shall be added to the pleadings by
15 no later than February 5, 2021.

16 iv. Experts shall be disclosed by February 5, 2021.

17 v. Rebuttal experts shall be disclosed by March 22, 2021.

18 vi. An interim status report shall be filed by March 4, 2021.

19 vii. Dispositive motions shall be filed by July 2, 2021.

20 viii. A joint pretrial order shall be filed no later than August 2, 2021.

21 All other terms of the Scheduling Order shall remain the same.

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1 5. The Parties request the Court set a status conference in the Action in approximately
2 180 days, in July, 2020.

3 IT IS SO STIPULATED AND AGREED.

4 DATED January 28, 2020.

 DATED January 28, 2020.

5 MCNUTT LAW FIRM, P.C.

 SEMENZA KIRCHER RICKARD

6 /s/ Dan McNutt

/s/ Lawrence J. Semenza, III

7 Daniel R. McNutt, Esq. (SBN 7815)

 Lawrence J. Semenza, III, Esq. (SBN 7174)

8 Matthew C. Wolf, Esq. (SBN 10801)

 Christopher D. Kircher, Esq. (SBN 11176)

9 625 South Eighth Street

 Jarrod L. Rickard, Esq. (SBN 10203)

10 Las Vegas, Nevada 89101

 Katie L. Cannata, Esq. (SBN 14848)

11 *Counsel for Defendants Cachet Financial*
12 *Services and Financial Business Group*
13 *Holdings*

 10161 Park Run Drive, Suite 150

 Las Vegas, Nevada 89145

Counsel for Plaintiffs

14 **IT IS SO ORDERED.**

15 **IT IS FURTHER ORDERED** that Plaintiffs, Cachet, and
16 FBGH shall file a joint status report every sixty days, beginning
17 on March 30, 2020, addressing the status of bankruptcy
18 proceedings and the continued need for the stay.

19 Dated this 31 day of January, 2020.

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22 Gloria M. Navarro, District Judge
23 UNITED STATES DISTRICT COURT
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